

## SENATOR JEFF BINGAMAN

### THE IMMEDIATE BENEFITS OF HEALTH REFORM

*The health reform legislation passed by Congress and signed into law by the President includes health insurance market reforms that will bring immediate benefits to millions of Americans.*

#### **Access to Affordable Coverage for those with Pre-Existing Conditions**

- ❖ Insurance companies will not be able to deny insurance coverage to children with pre-existing conditions (effective 6 months after enactment; beginning in 2014, this prohibition also will apply to adults).
- ❖ Until the exchange is available in 2014, many Americans who are uninsured because of a pre-existing condition may have access to insurance through a temporary high-risk pool (effective 90 days after enactment).

#### **Small Business Tax Credits**

- ❖ Reform offers eligible small businesses tax credits of up to 35% of their share of premiums this year, making it more affordable to cover employees. Beginning in 2014, tax credits of up to 50% of premiums will be available.

#### **Closing the Coverage Gap in the Medicare (Part D) Drug Benefit**

- ❖ Reform immediately provides a \$250 rebate to Medicare beneficiaries who hit the Medicare prescription drug coverage gap or “donut hole.” Beginning in 2011, reform also guarantees 50% discounts on brand-name drugs purchased by low and middle-income beneficiaries in the coverage gap. Reform closes the “donut hole” by 2020.

#### **Protection from Rescissions of Existing Coverage**

- ❖ Will stop insurers from “rescinding” (cancelling) insurance coverage to people when they get sick and file claims, except in cases of fraud or intentional misrepresentation of material fact (effective 6 months after enactment).

#### **No Arbitrary Limits on Coverage**

- ❖ In new insurance plans, the law tightly restricts the use of annual and lifetime limits to restrict benefits (effective 6 months after enactment; applies to all plans in 2014).

#### **Extension of Dependent Coverage for Young Adults**

- ❖ Reform requires insurers to allow parents the option to maintain family coverage for young adults up to 26 years of age (effective 6 months after enactment).

#### **Boosting Community Health Centers**

- ❖ Provides \$11 billion for Community Health Centers to allow for nearly a doubling of the number of patients seen over the next 5 years (effective beginning in FY 2010).

#### **Ensuring Value for Premium Payments**

- ❖ Requires plans in the individual and small group market to spend at least 80% of premiums on health benefits, not insurance company administrative expenses or profits. Large group plans must spend at least 85%. Insurers who don't meet this requirement are required to pay premium rebates to their customers (effective January 1, 2011).

#### **Re-insurance for Retiree Health Benefits Plans**

- ❖ Offers immediate access to a re-insurance program to help offset the costs of expensive health claims for employers that provide health benefits to early retirees, aged 55-64 (effective 90 days after enactment).

#### **Free Prevention and Wellness Benefits**

- ❖ Requires coverage of preventative and wellness services in new private plans and in Medicare with no co-pays or deductibles (effective for private plans 6 months after enactment; Medicare effective January 1, 2011).

#### **Fairness and Help in Navigating the Health Insurance System**

- ❖ Consumers in new health plans may use an effective process to appeal coverage determinations and claims (effective 6 months after enactment). Consumers will also have access to a new website with information on comparable insurance options (by July 1, 2010) and will also be able to obtain assistance in enrolling in health plans or filing complaints and appeals (effective in 2010).